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SUBJECT: THE REFERENDUM -- AND AFTER: WHAT TO WATCH

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Classified By: POLITICAL COUNSELOR ROBERT DOWNES,
REASON 1.4 (D)

11. (C) Summary. The December 2 constitutional referendum is proving to be President Chavez's most difficult electoral test since the 2004 recall referendum, but the Venezuelan president and his supporters still enjoy significant electoral advantages. Both the "Yes" and "No" camps are battling to persuade potential supporters to actually go to the polls, rather than abstain, but the government has significantly more carrots and sticks at its disposal to influence voters. An exuberant opposition is predicting electoral victory and warning the National Electoral Council (CNE) to run a fair election or face violent protests. No matter what the referendum result is, Chavez will still be president, and the opposition has yet to establish a common long-term strategy to counter Chavez's authoritarianism. If his reforms are adopted, we anticipate Chavez will move quickly to accelerate his "socialist revolution." End Summary.

The Opposition

12. (C) Will "No" Voters Vote? The "No" camp has succeeded in persuading all the noteworthy abstentionist parties to openly advocate voting "No" on December 2. Nevertheless, leaders from mainstream opposition parties like A New Time (UNT) and Justice First (PJ) told us early in the referendum campaign that they were not sure they can persuade disheartened and election weary rank-and-file members to turn out. Over the last few weeks, opposition party leaders appear to have succeeded in re-energizing the sizable body of potential "No" voters. Local pollsters predict that if overall abstention can be reduced to 30 percent or below, the "No" camp stands a chance of winning. However, the opposition lacks the government's logistical capacity, as well as carrots and sticks, to deliver voters to the polls. The official abstention rate was 25 percent in last year's presidential election. It was 30 percent in the 2004 Chavez recall referendum, but 55 percent in the referendum that approved the 1999 Constitution.

13. (C) Can the "No" Camp Cover the Polls? One of the most important deterrents to electoral fraud is fielding electoral monitors at the over 11,000 polling stations in Venezuela. The "No" camp started late in recruiting and training electoral monitors. Opposition leaders tell us that in the

2006 presidential election, the opposition did not have a sufficient number of volunteers to cover all the polls. In addition, many opposition election monitors did not stay until polls closed. This year, the "No" camp is counting on the active support of university students and the Podemos and Democratic Action (AD) parties to fill in gaps. "No" campaign organizers express confidence they can cover almost all polling stations, but we believe it will be a real challenge for them to do so, particularly in Chavista strongholds.

14. (C) Will the "No" Camp Accept Defeat? At the opposition's closing Caracas rally November 29, Baruta Mayor Enrique Capriles Radonski told the crowd that the "No" block would accept any electoral result so long as the National Electoral Council (CNE) runs a transparent election. At the same time, he asserted that the "No" block is the majority, implying that the opposition may not recognize a defeat. Just as in the 2004 recall referendum and 2006 presidential election, there is a widespread belief among the opposition that they will win at the polls. Unlike the 2006 presidential election in which consensus opposition candidate Manuel Rosales conceded defeat, there is no natural "No" block spokesperson who can do the same. Opposition activists tell us that hard-liners may resort to violent protests if they believe the government "has stolen" an electoral victory.

15. (C) Can the Opposition Sustain Its Momentum?: Over the last few weeks, the opposition has demonstrated real signs of political life, the first such signs since student protests after RCTV's closure in late May and Zulia Governor Manuel Rosales' campaign for president in late 2006. The student movement has provided the opposition with fresh and credible voices. The opposition has demonstrated its ability to mobilize large crowds, particularly during the "No" campaign's November 29 Caracas rally. The opposition finally managed to unify behind a common vote "No" policy. However, the opposition has a long history of coming together late

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before elections only to fall apart quickly after each electoral defeat to Chavez. To date, the disparate and divided opposition has not articulated a unified political strategy beyond the December 2 referendum, win or lose.

16. (C) What Will the Students Do After?: Opposition university students continue to enjoy substantial credibility among Venezuelans across the socioeconomic spectrum. Their influence stems in large part by the fact that they have maintained a public distance between themselves and traditional opposition parties (although many student leaders, in fact, are opposition party youth activists). In the final days of this campaign, the university movement has, however, increasingly joined forces with opposition parties in the "No" campaign. They shared the stage with opposition leaders, for example, during the November 29 massive "No" rally. This will likely erode their image as an essentially spontaneous and unaligned political phenomenon.

Chavistas

17. (C) Will pro-Chavez voters vote "Yes"? Chavez has tried to frame the referendum debate as a plebiscite on his leadership and has continually warned his followers against abstaining. The "No" camp and civil society NGOs, however, have succeeded in raising legitimate questions in the minds of some Chavez voters regarding the constitutional reform's impact on democratic freedoms, the protection of private property, and the concentration of power in the central government at the expense of state and local governments. Moreover, former Defense Minister Baduel, the pro-government Podemos party, and even Chavez's ex-wife, are all openly advocating voting "No." Local pollsters tell us, however, that only a small percentage of traditional Chavez voters

intend to vote "No" The opposition is hoping that many pro-Chavez voters will stay home and indeed abstention may be more palatable than a "No" vote for Chavistas who oppose the reforms.

18. (C) Will Chavez's Electoral Machine Be As Effective As Before? The Venezuelan government and campaign are virtually one and the same, so the "Yes" camp consequently should enjoy a huge advantage in terms of mobilizing voters on election day. Moreover, close to one-third of the electorate depends economically on the government either through employment or income they receive for participating in the BRV's social programs ("misiones"), a significant factor in a country where there is widespread doubts about the secrecy of electronic balloting. Chavez's United Socialist Party of Venezuela (PSUV) has experienced organization problems, but it is still Venezuela's largest political party and maintains real grass-roots bases that can field both election monitors and deliver voters to the polls.

19. (C) Are Chavista Governors and Mayors Working Hard for "Yes"? Some pro-Chavez governors and mayors appear to be paying only lip service to the "Yes" campaign without ramping up the traditional pro-Chavez machine in their areas. The fact that the reform provides for the elimination of term limits for President Chavez, but no other elected office, may account for less than active support, and in a few cases, opposition (usually passive) from some pro-Chavez state and local officials. Moreover, some state and local leaders appear to be wary of a reform that takes power and resources away from them and concentrates authority even more in the hands of the executive branch. On the other hand, state and local leaders can be expected to be evaluated by Chavez on how well they deliver the "Yes" vote. Their future prospects in government likely depend on energizing the pro-Chavez bases in their areas, a powerful incentive to cooperate with the "Yes" campaign.

110. (C) Can Chavez Contain Dissent Within Chavismo? As Chavez radicalizes his "revolution" and assumes even more power, he is likely to experience growing internal dissent from some of his supporters. So far, however, he has been able to marginalize and discredit his detractors in the eyes of most of his supporters. Nevertheless, the list of prominent Chavez dissidents is growing and now includes former Defense Minister Baduel, the Podemos political party, and even radical National Assembly deputy Luis Tascon, who was expelled from the PSUV a few weeks ago. The elimination of presidential term limits via constitutional reform also stymies the ambitions of any potential successors to Chavez, who openly talks about governing for at least the next two

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decades.

111. (C) How Fast Will Chavez Accelerate the Revolution? After winning the presidential election in 2006, Chavez reshuffled his cabinet, announced his decision to close the only independent free-to-air broadcast network, moved to expropriate the largest telecommunications company, the electricity sector, and demanded government-majority stakes in the mixed associations with international oil companies. He also announced five "motors" of a "socialist revolution," including his intention to make sweeping constitutional changes. He has moved forward in all of these areas. Chavez has already declared his intention to pass 100 laws in the wake of a referendum victory and to "accelerate the revolution." Chavez supporters have openly voiced the need to close Globovision, the most vocal opposition network on cable TV. The National Assembly gave Chavez the authority to issue decree-laws in 12 broadly defined areas until the summer of 2008, so Chavez has wide powers to legislate changes consistent with the sweeping, constitutional changes. We expect he will move quickly to do so.

Comment

¶12. (C) The "No" vote campaign has at least temporarily revived opposition to President Chavez's grand plan to transform Venezuelan society. This may have induced a certain nervousness in the Chavista ranks, but, if the "Yes" vote wins, it will probably not do much to inhibit Chavez's move to consolidate his Bolivarian revolution - especially if opposition activism fades quickly following the referendum. In the event of a surprising "No" victory, Chavez may opt to employ his power to rule by decree to deepen aspects of the revolution.

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